GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2916
ANSWERED ON:06.12.2007
INVESTMENT OF MONEY
Barad Shri Jashubhai Dhanabhai

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether a case of fraudulent investment of money of Airports Authority of India (AAI) staff in junk bonds and shares come to the notice of the Government;

(b) if so, the details thereof; and

(c) the money involved and the action taken against the guilty officials in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a), (b) & (c) Employees Contributing Provident Fund (ECPF) Trusts of Airports Authority of India (AAI) had made investment in certain state level public enterprises, which have defaulted in payment of interest. However, ECPF Trusts have not made any investment in the Shares. These defaults have occured in the following cases:

(i) Assam Financial Corporation - (Rs.5.30 Crores), (ii) Orissa State Financial Corporation - (Rs.21.30 Crores), (iii) M P State Transport Corporation - (Rs.19.90 Crores), (iv) J & K Financial Corporation - (Rs.12.50 Crores) and (v) PICUP - (Rs. 3.10 Crores).

The matter of defaults is under investigation by the Central Bureau of Investigation (CBI).